

Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Continental Resources, Inc.
Well Name/Number: Jane 1-4H
Location: NW NE Section 4 T25N R55E
County: Richland, **MT;** **Field (or Wildcat)** W/C (Bakken Horizontal)

Air Quality

(possible concerns)

Long drilling time: No, 30 to 40 days drilling time.

Unusually deep drilling (high horsepower rig): No, triple derrick drilling rig to drill to 19,810'MD/9,947'TVD, single lateral horizontal Bakken Formation well.

Possible H2S gas production: Slight chance H2S gas production.

In/near Class I air quality area: No Class I air quality area.

Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:

☒ Air quality permit (AQB review)

☒ Gas plants/pipelines available for sour gas

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: No special concerns – using triple rig to drill to 19,810'MD/9,947'TVD, single lateral horizontal Bakken Formation well.

Water Quality

(possible concerns)

Salt/oil based mud: Yes, freshwater and freshwater mud system on surface hole and oil based invert drilling fluids for intermediate casing hole Brine water for horizontal lateral.

High water table: No high water table anticipated.

Surface drainage leads to live water: No, closest drainages are unnamed ephemeral tributary drainages to Hay Coulee, about 1/4 of a mile to the west and about 1/2 of a mile to the northwest from this location..

Water well contamination: No, closest water wells are about 1/2 of a mile to the northeast, 1/2 of a mile to the southwest and 3/4 of a mile to the southeast from this location. Depth of these water wells range from 280' in depth and less. Surface hole will be drilled with freshwater and freshwater muds. Surface casing will be set and cemented to surface from a depth of 1527'.

Porous/permeable soils: No, sandy clay soils.

Class I stream drainage: No Class I stream drainages.

Mitigation:

☒ Lined reserve pit

☒ Adequate surface casing

☐ Berms/dykes, re-routed drainage

☐ Closed mud system

☐ Off-site disposal of solids/liquids (in approved facility)

☐ Other: _____

Comments: 1333' of surface casing cemented to surface adequate to protect freshwater zones and the Fox Hills aquifer.

Soils/Vegetation/Land Use

(possible concerns)

Stream crossings: No, stream crossings anticipated.

High erosion potential: No, moderate cut, up to 10.7' and moderate fill, up to 11.1', required.

Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: Yes, large 500'X270' location size required.

Damage to improvements: No, slight.

Conflict with existing land use/values: Slight, surface use is a cultivated field.

Mitigation

☐ Avoid improvements (topographic tolerance)

☐ Exception location requested

☒ Stockpile topsoil

☐ Stream Crossing Permit (other agency review)

☒ Reclaim unused part of wellsite if productive

☐ Special construction methods to enhance reclamation

☐ Other _____

Comments: Access will use existing county road, #143. About 155' of new constructed road will be built into location off the existing county road #143. Drill cuttings will be disposed of in the lined reserve pit. Oil based invert drilling fluids will be recycled. Completion fluids will be trucked to a commercial Class II disposal. Pit will be backfilled after remaining fluids have evaporated. No special concerns

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: None, no residences within 1 mile and further in any direction from this well location.

Possibility of H2S: Slight chance of H2S.

Size of rig/length of drilling time: Triple drilling rig/short 30 to 40 days drilling time

Mitigation:

☒ Proper BOP equipment

☐ Topographic sound barriers

☐ H2S contingency and/or evacuation plan

☐ Special equipment/procedures requirements

☐ Other: _____

Comments: Adequate surface casing and operational BOP equipment will mitigate any issues.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: None identified.

Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: None in the area.
Threatened or endangered Species: Species identified as threatened by the USFWS are Pallid Sturgeon, Interior Lease Tern, Piping Plover and Whooping Crane. Species listed as candidate species are the Greater Sage Grouse and Sprague's Pipit. NH tracker website for this Township and Range lists only one (1) species of concern as the Whooping Crane.

Mitigation:

- ☐ Avoidance (topographic tolerance/exception)
- ☐ Other agency review (DFWP, federal agencies, DSL)
- ☐ Screening/fencing of pits, drillsite
- ☐ Other: _____

Comments: Private cultivated surface lands. There maybe species of concern that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to what he would like done, if a species of concern is discovered at this location. The Board of Oil & Gas has no jurisdiction over private surface lands.

Historical/Cultural/Paleontological

(possible concerns)

Proximity to known sites: None identified.

Mitigation

- ☐ avoidance (topographic tolerance, location exception)
- ☐ other agency review (SHPO, DSL, federal agencies)
- ☐ Other: _____

Comments: On private cultivated surface lands. There maybe possible historical/cultural/paleontological sites that maybe impacted by this wellsite. We ask the operator to consult with the surface owner as to his desires to preserve these sites or not, if they are found during construction of the wellsite. The Board of Oil & Gas has no jurisdiction over private surface lands.

Social/Economic

(possible concerns)

- ☐ Substantial effect on tax base
- ☐ Create demand for new governmental services
- ☐ Population increase or relocation

Comments: No concerns

Remarks or Special Concerns for this site

Well is a 19,810'MD/9,947'TVD, single lateral horizontal Bakken Formation well.

Summary: Evaluation of Impacts and Cumulative effects

No long term impacts expected. Some short term surface impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): Steven Sasaki
(title:) Chief Field Inspector
Date: October 6, 2011

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC
website
(Name and Agency)
Richland County water wells
(subject discussed)
October 6, 2011
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES
MONTANA COUNTIES, Richland County
(subject discussed)

October 6, 2011
(date)

Montana Natural Heritage Program Website (FWP)
(Name and Agency)
Heritage State Rank= S1, S2, S3, T25N R55E
(subject discussed)

October 6, 2011
(date)

If location was inspected before permit approval:

Inspection date: _____

Inspector: _____

Others present during inspection: _____